

## 205 CMR 221: SPORTS WAGERING LICENSE FEES

- 221.01 Licensing and Assessment Fees
- 221.02 Payment of Fees
- 221.03 Annual Reconciliation of Commission Budget

### 221.01 Licensing and Assessment Fees

- (1) Upon submission of a request for a Temporary License pursuant to 205 CMR 219.00, the requestor shall pay an initial non-refundable license fee of \$1,000,000 to the Commission.
- (2) Within 3 years after the renewal of Temporary License pursuant to 205 CMR 219.03, the licensee shall pay a non-refundable renewal license fee of \$1,000,000 to the Commission.
- (3) Within 30 days after the award of a Sports Wagering Operator License by the Commission, the Operator shall pay a license fee of \$5,000,000 to the Commission; provided, however, that any \$1,000,000 fee or fees paid to the Commission because the Operator previously received or renewed a Temporary License shall be credited against that \$5,000,000. As a pre-condition of any award, the Commission may provide that such license fees be paid on an installment basis before the award is made and the license issued.
- (4) The following additional fees are due and payable to the Commission for each Sports Wagering Operator:
  - (a) An Annual Assessment **[to be added to defined terms]** as provided by M.G.L. c. 23N, § 15(c), to be determined by the Commission and calculated in accordance with M.G.L. c. 23N, § 15(c) to cover costs of the Commission necessary to maintain control over Sports Wagering, in proportion to each licensee's actual or projected Adjusted Gross Sports Wagering receipts; provided, however, that such assessment may be adjusted by the Commission at any time after payment is made where required to reflect the actual Adjusted Gross Sports Wagering Receipts, and accordingly, the payment of additional funds may be required or a credit may be issued towards the payment due the following year;
  - (b) An annual fee, as provided by M.G.L. c. 23N, § 15(e) reflecting each Operator that is not a Category 1 Sports Wagering Licensee's share of \$1,000,000 to be deposited into the Public Health Trust Fund; provided, however, that the Commission shall determine each Operator's share as their proportional share of anticipated or actual Adjusted Gross Sports Wagering Receipts; provided further, however, that such assessment may be adjusted by the Commission at any time after payment is made where required to reflect the actual adjusted gross sports wagering revenue; and

- (c) any other such license fees required under M.G.L. c. 23N and required to be assessed by the Commission.

221.02 Payment of Fees

- (5) Except in the case of an assessment for fiscal years 2023 and 2024 the Annual Assessment due under 205 CMR 221.01(3)(a) shall be assessed on or about 30 days prior to the start of the Commission fiscal year. The Annual Assessment for each Operator shall be the difference between the Commission's projected costs to regulate Sports Wagering minus any other revenues anticipated to be received by the Commission related to Sports Wagering and assessed as provided in 205 CMR 221.01(3)(b). The Commission may assess the Annual Assessment on a *pro rata* basis commencing in fiscal year 2023 and will make such assessment each fiscal year thereafter. The Commission, in its sole discretion, may allow the Annual Assessment to be paid in one or more installments during the fiscal year.
- (6) All license fees and assessments due to the Commission shall be due and payable within 30 days of receipt of an invoice from the Commission.
- (7) All license fees and assessments shall be submitted in the form of a certified check or secure electronic funds transfer payable to the "Massachusetts Gaming Commission."
- (8) In the event that a licensee fails to pay any fees or assessments as provided in 205 CMR 221.01, the Commission may take any remedial action it deems necessary up to and including revocation of the Sports Wagering Operator License.

221.03 Commission Budget and Reconciliation

- (9) The Commission shall establish a budget for Sports Wagering in the course of establishing its overall budget pursuant to 205 CMR 121.03 and 121.04.
- (10) If at any time during the fiscal year the Commission determines that actual costs associated with Sports Wagering will exceed the projected costs and projected revenue associated with Sports Wagering in the budget the Commission will revise the Annual Assessment assessed to Operator and invoice each Operator for its proportional share of such costs.
- (11) Within 90 days of the close of each fiscal year the Commission will reconcile its actual costs to actual revenues. In no case will the Commission end a fiscal year on a negative basis. No commitment or expense shall cause the Sports Wagering Control Fund to end the fiscal year with a negative cash balance.
- (12) In the event that actual revenues exceed actual costs for a given fiscal year, the Commission in its sole discretion shall credit such Excess Assessment to the Annual Assessment due for the next fiscal year.

- (13) In the event that actual revenues associated with Sports Wagering are less than actual costs associated with Sports Wagering for a given fiscal year, the Commission will assess each Operator for its share of the excess costs (Excess Cost Assessment) in the same manner in which the Commission assessed the Annual Assessment. Such Excess Cost Assessment shall be due and payable as part of the Annual Assessment due for the next fiscal year.